

# **Regence on Reform**

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**August 22, 2011**

**Health Care Task Force**

# About Regence BlueShield of Idaho

- We're a nonprofit mutual insurance company.
- We pay \$8.8 million in taxes.
- We employ more than 900 residents with offices in Boise, Coeur d'Alene, Lewiston, Pocatello & Twin Falls.

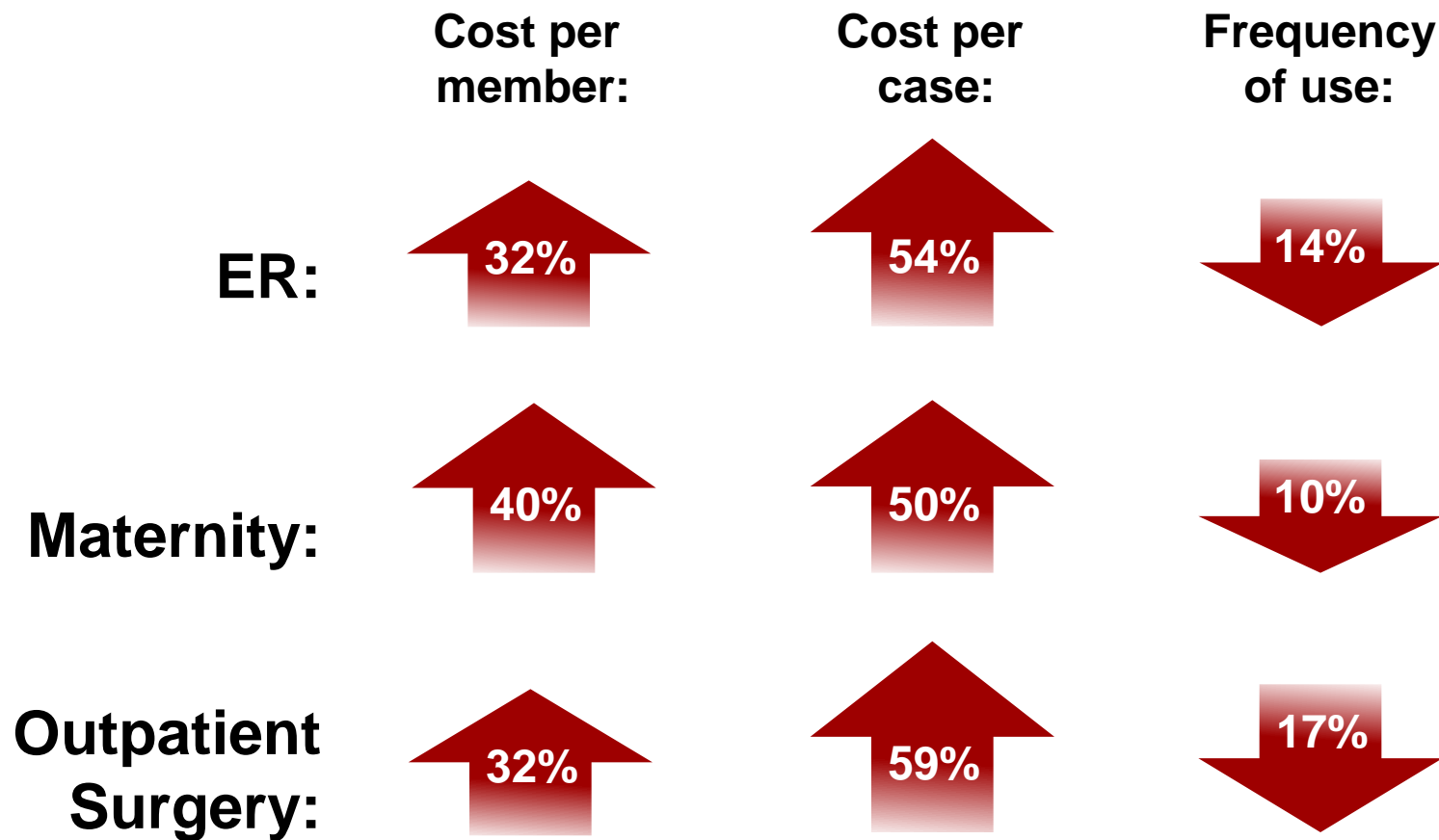
# Reform Assumptions

- 2010
  - Preventive Coverage with no cost-sharing
- 2011
  - Medical Loss Ratio Limitations
    - 80% Small Group / Individual, 85% Large Group
- 2014
  - Rating Limitations (Age Bands, Gender, Health Status)
  - Guaranteed Issue for Individual
  - No pre-existing conditions limitations
  - Medicaid Expansion

# Health care reform vs. increased access reform?

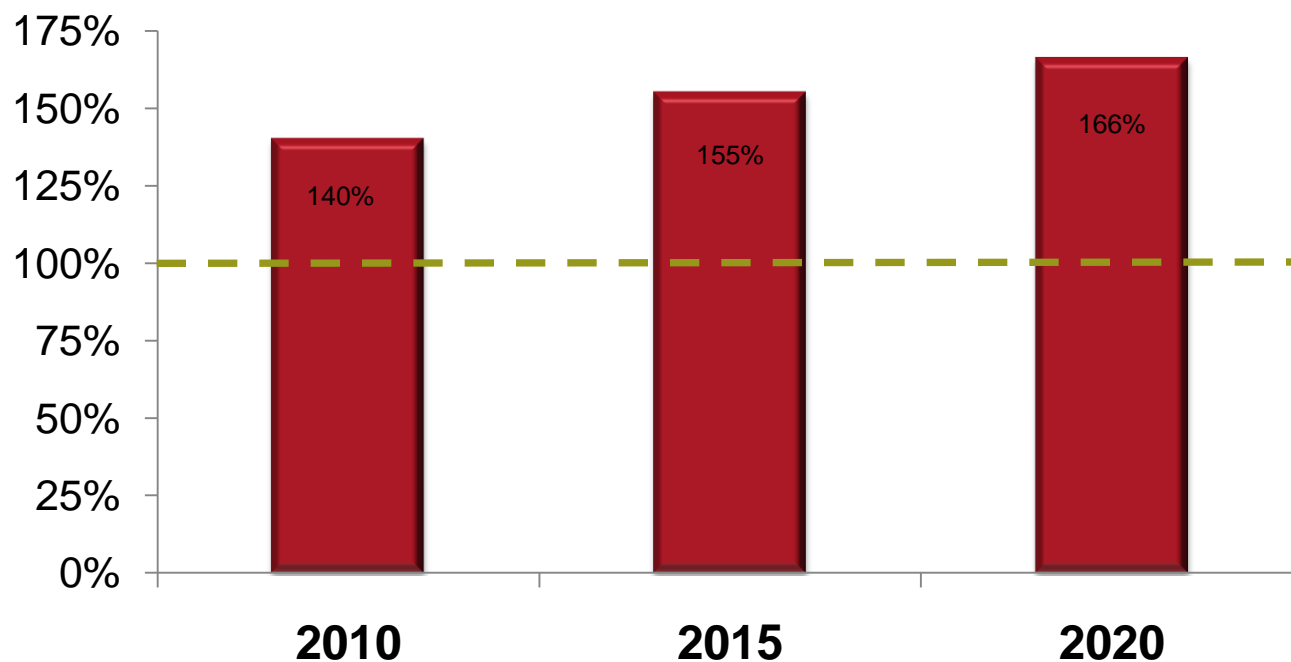
- Addresses access and increased benefits
- Adds increased regulation
  - Age band compression
  - Guarantee issue and no pre-existing conditions
  - Ineffective mandate: Healthy uninsured stay uninsured
- Numerous regulatory decisions still to come
- Costs continue to rise

## Costs are still a challenge



# Cost shift to private insurers

**Projected commercial reimbursement  
relative to Medicare average**



# Impact on products

Early provisions of ACA include:

- Expansion of benefits and consumer protections
- Restriction and phasing out of annual dollar limits on essential benefits
- Waiver Allowances

And coming soon...

**Insurers must cover birth control with no copays**

**AP** Associated Press By RICARDO ALONSO-ZALDIVAR - Associated Press | AP – Mon, Aug 1, 2011

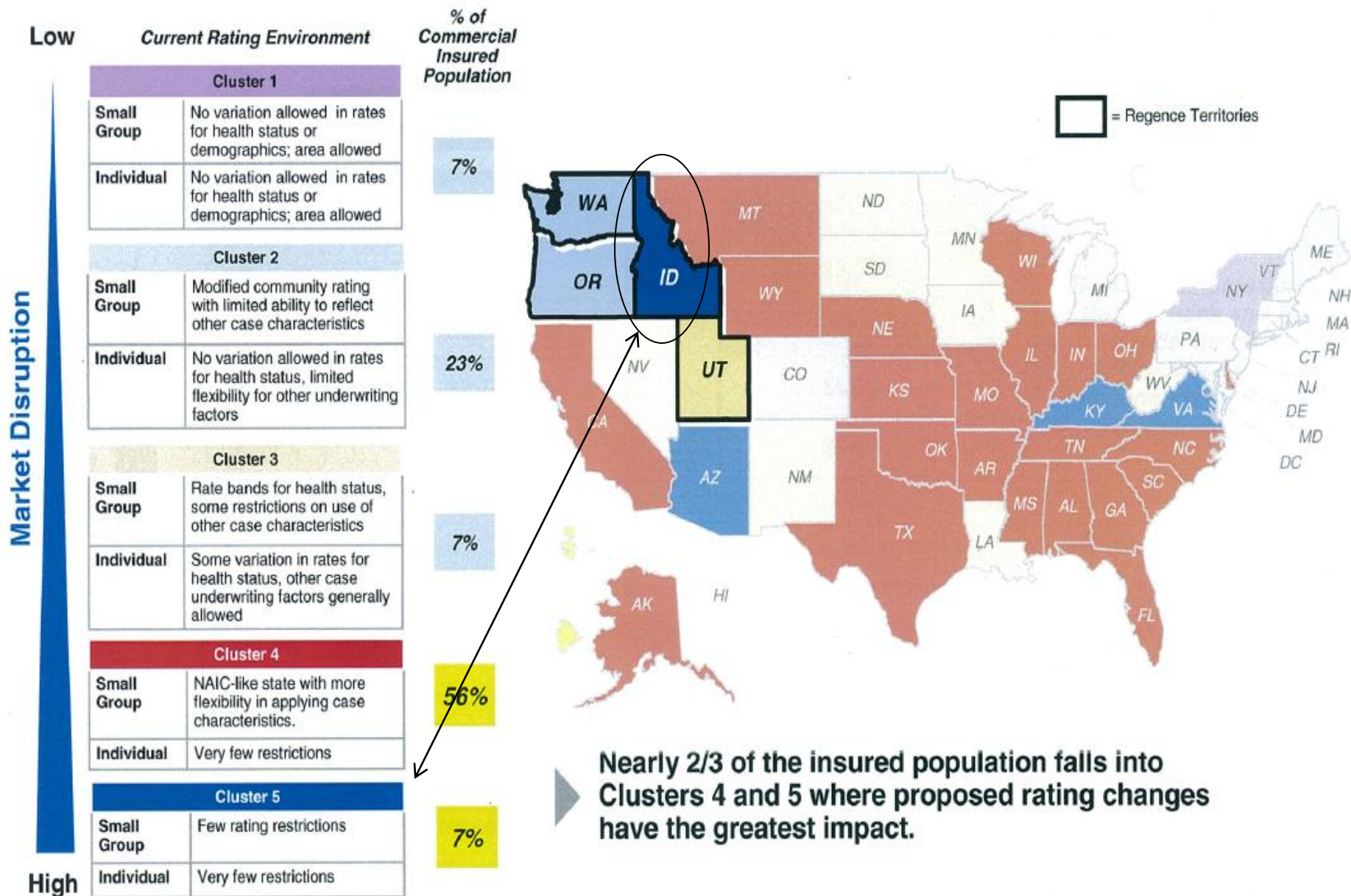
**The New York Times** Insurance Coverage for Contraception Is Required



**Federal health department approves free birth control**

## Impact of "Health Insurance Reform"—Geographic rating clusters

The impact of rating reform will vary significantly by geography. Regence's markets are in a wide range of rating environments.





# Federal vs. state health insurance exchanges

Idaho exchange	Federal exchange
<b>Jobs</b> – will need to hire Idahoans to build and maintain the exchange; a state exchange will minimize the impact on the Idaho broker community	Market mandate vs. Market choice
<b>State input</b> – ensures exchange is appropriately designed for both rural and urban populations; ability to resolve issues at the state level	
<b>Flexibility</b> – fewest possible mandates	
<b>Tax dollars</b> – State DOI continues to collect premium tax dollars	
<b>Governance</b> – Idaho determines make-up and power of governing board	

# Looking ahead

- Infrastructure needs for health insurance exchanges
- State and industry capacity to comply with new insurance regulations
- Financial and market impact of insurance regulations
- Information and outreach to consumers

## For more information

[www.regence.com](http://www.regence.com)

[www.WhatsTheRealCost.org](http://www.WhatsTheRealCost.org)

